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USAID Somalia Partnership for Economic Growth ANNUAL WORKPLAN

September 1, 2013 – August 31, 2014

Partnership for Economic Growth
ANNUAL WORK PLAN

(01 SEPTEMBER 2013 – 31 AUGUST 2014)

Contract No. AID-623-TO-11-00001

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The authors' views expressed in this report do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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ACRONYMS

BDS	Business Development Services
BOCAT	Business Organizational Capacity Assessment Tool
CAHW	Community Animal Health Workers
CBO	Community-based Organization
COR	Contracting Officer's Representative
DG	Director General
EMMR	Environmental Mitigation and Monitoring Report
FAO	Food and Agriculture Organization of the United Nations
IEE	Initial Environmental Examination
IPP	Independent Power Provider
IR	Intermediate Result
M&EP	Monitoring and Evaluation Plan
MNR	Ministry of National Resources
NGO	Non-Governmental Organization
PEG	Partnership for Economic Growth
PIM	Project Implementation Monitoring
PMP	Performance Management Plan
PPD	Public Private Dialogue
PPP	Public Private Partnership
RAIC	Research and Agribusiness Incubation Center
SATG	Somali Agriculture Technical Group
SBCI	Somaliland Business Confidence Index
SME	Small and Medium Enterprise
TIS	Transition Initiatives for Stabilization
TOR	Terms of Reference
UNDP	United Nations Development Programmes
USAID	United States Agency for International Development
WFP	World Food Programme

INTRODUCTION

This document presents the Partnership for Economic Growth (PEG) Annual Work Plan for the period September 1 2013 to August 31 2014. After the initial phase of the Partnership for Economic Growth (PEG) Program – May 1 2011 to August 31 2013, DAI was awarded a two year extension – September 1 2013 to August 31 2015.

PEG is designed to help local authorities and private sector groups improve the enabling environment for investment and generate more productive employment. This is the first development initiative targeting economic growth for the USAID/EA/LPC Somalia program.

The Partnership program activities focus on two areas: private sector development, including women's business development, and strengthening specific productive value chains. The Partnership is divided into two phases: an initial phase, which focused on Somaliland and Puntland, concluded in August 2013; and the extension phase which began in September 2013 and focuses on Somaliland and South Central Somalia. The extension phase builds upon the learning of PEG activities in Somaliland and Puntland and the rapid economic growth assessment in South Central Somalia conducted in July and August 2013.

The focus of the extension includes:

- pilot activities in South Central Somalia in agriculture and livestock / dairy value chains;
- a second round of the Partnership Fund business matching grants activity in Somaliland;
- continued work with PEG's agriculture partners in Somaliland;
- completion of several key activities in the energy and business environment sub-activities in Somaliland that were not completed under the first phase of the program.

BACKGROUND AND CONTEXT

Lessons Learned for PEG Phase I

The first two and half years of the PEG project were essentially a set of value chain development and private sector development pilot activities of USAID. As PEG began to develop the Work Plan for the second phase of the project, a set of lessons learned was developed with key stakeholders and shared with USAID at a workshop in Nairobi in August 2013. Below are the highlights of the lessons learned:

General Lessons - Economic Growth programming in Somaliland and Puntland

Challenges:

- Weak regulatory and legal framework and weak institutions in general
- Poor implementing capacity of government
- Delicate socio-politics and weak dispute resolution mechanisms
- Insecurity-related issues and security alerts and impact on work plan and implementation timeline
- Managing expectations of a new pilot USAID private sector development project

Opportunities:

- Ability to make a difference in many areas because of the high underdevelopment

- Vibrant Diaspora with diverse skills in different sectors, with significant investment capital
- Complementary programs from different donors
- Ability to carry out open and full competition for sub-contracts, grants program, and even employment

Operational & Management Lessons

- Building relationships with government and private sector counterparts critical
- Transparency in awarding contracts and grants builds trust
- Capacity building for local staff and partners

Livestock Sub-Activity (in Somaliland and Puntland)

Challenges:

- Animal health services are lacking in a largely livestock dependent economy – this results in poor control of diseases resulting in poor body condition and low livestock prices → lower income for herders.
- Counterfeit and expired and fraudulent veterinary products in the Somaliland marketplace present a serious issue that prevents producers from receiving quality animal health services.
- Scarcity of quality animal feed a major constraint to livestock quality and export price

Opportunities:

- Huge gap in veterinary drug quality regulation means opportunity to make a difference exists
- Livestock End Market Study revealing that a huge potential exists for Somali livestock to compete successfully against major competitors for key Gulf markets.
- Investment in the animal feed and animal health sectors promises huge potential.

Agriculture Sub-Activity (in Awdal Region, Somaliland)

Challenges:

- Up to 65% of vegetables imported (~ \$50 to \$75 million)
- Seed Production - Lack of certified seeds and improved inputs; no seed research conducted
- No agricultural extension services to teach farmers new technologies and practices
- Limited capacity for sound pest and disease control programs

Opportunity:

- New technologies, extension and research can improve yields and enhance Somali resiliency
- Support the key Ministries (such as the Ministry of Agriculture) to develop key pieces of legislation that will directly support ongoing technical assistance to develop commercial farmers (such as the draft Seed Testing and Certification Policy)
- Investment in local institutions (like Universities) supports program sustainability

Business Environment Sub-activity (Somaliland and Puntland)

Challenges:

- Weak institutions to support a business enabling environment; with weak regulatory and legal frameworks.
- Big demand for sound market information on investment opportunities.

Opportunity:

- Local and diaspora investors are craving sound market research and information on successful (and failed) business ventures

- Investment guides, investment web portals and investment conferences can disseminate such research widely
- Building a sound legal and regulatory framework is key to building the private sector. This includes support to business enabling environment activities such as the development and public-private dialogue validation workshops of the draft Electricity Energy Law and draft Investment Laws

Partnership Fund Business Matching Grants Program

Challenges

- No commercial banks; yet significant demand for access to investment capital
- Most applicants requested machinery / capital equipment in their business proposals; few applicants requested technical assistance / capacity building to improve business operations
- Business / operations challenges of all grantees:
 - Weak Operations capacity
 - Lack of effective organizational and management structure
 - Weak financial and accounting systems

Opportunities

- Applicants ready to provide in-kind and cash contributions, and show development impact
- PEG implemented Business Organizational Capacity Assessment Tool (BOCAT)
- BOCAT is self-assessment tool for a business to review:
 - Governance: Role of Board of Directors, risk management, strategic planning
 - Human Capacity: Defined staff Terms of References, clear human resource policies
 - Financial Capacity: Accounting systems, petty cash procedures
 - Operations: Proper filing, procurement procedures,
- Partnership developed demand-driven business capacity training.
 - Local professional consultancy firm developed group trainings and one-on-one consulting with the Partnership program's weakest grantees to strengthen key aspects of their business operations.

Capacity Building of Government Institutions

Challenges

- Government institutions need to have strong capacity to enable them to strengthen the enabling environment for investment
- Ministry of Commerce did not have a formally staffed Investment Climate Unit, which would be instrumental in carrying out the activities that the Partnership would be helping the Ministry with
- Ministry of Energy did not have an Energy Inspectorate Unit to receive training and help implement the technical aspects of the Energy Law and manage the Wind instruments
- Very limited resources
- High turnover of staff
- Relatively low skills/capacity
- A limited sense of ownership of activities when donors decide activities for them, hire consultants for them, and only engage Ministry staff in a limited way
- Often no TORs

Opportunities

- Formal recruitment of Unit staff; Ministry developed TORs to be held accountable to the Minister and to PEG
- Staff underwent training through hands-on involvement in activities
- Staff offices refurbished, with computers, office furniture procured
- Staff more confident in dealing with public and private sectors
- More Ministry ownership as staff took leadership in some of the activities – e.g. Ministry of Commerce launched a new Investment Department that will be a one-stop shop for investors, which builds upon the foundations that the Partnership program supported

Learning and Application to South-Central Somalia

Similarities to consider:

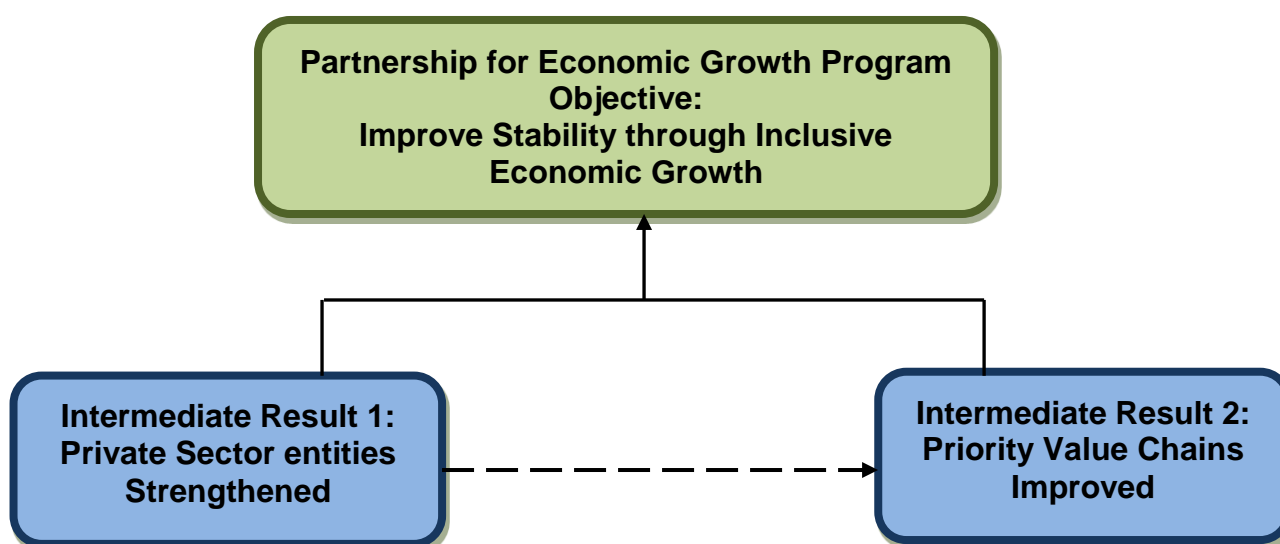
- Many similarities in terms of livelihood systems and work culture exist
 - There is potential to borrow laws and regulations South-Central Somalia, Puntland and Somaliland
- Mobility of personnel and stakeholders

Differences to consider:

- Larger opportunity to support the agriculture sector (crop farming) activities in the south
- More insecurity – meaning working norms, work plans and deliverable schedules, and security costs/arrangements much be incorporated
- Less developed regulatory and legal frameworks
- Less developed public, education and business development services (BDS) such as legal, accounting, etc.

PERFORMANCE MONITORING

The overarching objective of PEG is to ‘Improve Stability through Inclusive Economic Growth’. PEG activities fall under two intermediate results (IRs): IR 1. Private Sector Entities Strengthened; and IR 2. Priority Value Chains Improved. These IRs highlight the USAID/Somalia mission’s stabilization assessments that frame economic growth as a key driver of stabilization.



The Partnership’s Monitoring and Evaluation Plan (M&EP) / Performance Management Plan (PMP) includes the following key elements, all of which together form the project M&E system:

- The PMP – which defines the key performance indicators that are used to monitor achievements;
- The Technical, Administrative and Management Information System (TAMIS) – which houses the key monitoring documentation, including source documents, target information, and baseline and actual data for activity-level indicators;
- Partnership reports – including the quarterly and other reports which summarize accomplishments using performance data;
- The Economic Growth baseline perceptions survey – which collects basic demographic and other information related to beneficiary populations, and more importantly collects much of the impact data that will be used to measure the achievements of the program at the objective level;
- The Business Environment/Enterprise perceptions survey – The Somali Business Confidence Questionnaire is designed to collect data for the Somaliland Business Confidence Index (SBCI).
- USAID's Third Party Monitoring partner, IBTCI – key performance and activity data from the Partnership will be uploaded into the IBTCI database so that USAID can review the aggregate performance and achievements of its entire portfolio of projects in Somalia.

During Phase II of PEG, the PMP has been amended after seeking guidance from USAID. The starting point was a draft amended set of indicators resulting from communications between the PEG COR and PEG in late November 2013. By the end of March 2014, a provisional set of indicators and targets have been developed. The exercise has resulted in a total reduction of indicators from 17 to 12 - eliminate six indicators from the PEG Phase I PMP and adding the gender specific Indicator 3.6.

PEG Performance monitoring indicators

The PEG performance monitoring indicators for Phase II are outlined in the table below. There are two Performance Objective (PO) indicators; two outcome indicators for IR I; two outcome indicators for IR 2; and six common activity-level indicators.

Indicator
PO 1: Percent of respondents who state that economic conditions have improved over the last year
PO 2: Percent of respondents who state that security has improved over the last year.
1.1: Average percent change in score on key areas of organization capacity amongst USG direct and indirect local implementing partners.
1.2: Number of days of technical assistance trade and investment environment provided to counterpart or stakeholder.
2.1: Percent change in volume/yield of agricultural products/commodities supported through PEG activities (kg)
2.2: Number Farmers and others who have applied new technologies or Management practices as a result of USG assistance.
3.1. Number of individuals who have received USG supported short-term agricultural sector productivity or food security training.
3.2. Number of persons receiving new or better employment (including better self-employment) as a result of participation in USG-funded projects
3.3. Number of food security private enterprises, producers organizations, water users associations, women's groups, trade and business associations, and community-based organizations (CBOs) receiving USG
3.4. Number of technologies or management practices in one of the phases of development
3.5. Number of investment deals initiated or completed by project end, through the contribution of USG assistance.
3.6. Proportion of female participants in USG-assisted programs designed to increase access to productive economic resources (assets, credit, income or employment).

ENVIRONMENTAL MONITORING

The PEG Environmental Mitigation and Monitoring Plan (EMMP) outlines the project environmental compliance requirements and includes a list of reports for submission to USAID. The primary environmental compliance reporting tools are the project Quarterly Reports and the Annual Reports. The USAID Initial Environmental Examination (IEE) covering environmental risk for all Investing in People (IIP) and Economic Growth (EG) Program Activities in Somalia from FY 2010- FY 2015 establishes the template and format for the quarterly and annual Environmental Mitigation and Monitoring Report (EMMR).

A summary of these final mitigation measures is provided below

PEG Environmental Compliance Overview				
Activities		Environmental Compliance Actions		
#	Activity Description	Initial screening/ ERF completed	Mitigation Required?	Current Status
Partnership Value Chain Activities				
1	Agriculture Subactivity	Yes	Yes	Activity Complete.
2	Business Enabling Environment Subactivity	Yes	No	Activity Complete.
3	Somaliland Livestock Subactivity	Yes	Yes	Activity Complete.
4	Puntland Livestock Subactivity	Yes	Yes	Activity Complete.
5	Energy Subactivity	Yes	Yes	Activity Complete.
6	Puntland Business Subactivity	Yes	No	Activity Complete.
Partnership Grant Fund – Cycle I				
7	International Livestock Raising Grant	Yes	Yes	Grant Complete.

8	Afjireh Energy Grant	Yes	Yes	Grant Complete.
9	Red Sea Fishing and Shrimp Grant	Yes	Yes	Grant Complete.
10	Muliyo Salt Grant	Yes	Yes	Grant Complete.
11	GETCO Seafood Processing Grant	Yes	Yes	Grant Complete.
12	Shaqodoon Youth Job Training Grant	Yes	No	Grant Complete.
13	Transparent Solutions Grant	Yes	No	Grant Complete.
14	Togdheer Women Trade Assn Grant	Yes	Yes	Grant Complete.
15	Al Hussein Farms Grant	Yes	Yes	Grant Complete.
16	Dheerman Trading Grant	Yes	No	Grant Complete.
17	Tayo Energy Grant	Yes	Yes	Grant Complete.
18	Horumar Camel Dairy Farm Grant	Yes	Yes	Grant Complete.
19	KAABA Financial Services Grant	Yes	No	Grant Complete.
Partnership Value Chain Activities – Extension				
20	Somaliland Agriculture Extension Subactivity	In draft format	Anticipated	
21	South Central Agriculture Subactivity	In draft format	Anticipated	
22	South Central Livestock Subactivity	In draft format	Anticipated	
Partnership Grant Fund – Cycle 2 – Planned				
23-33	Multiple grant applications currently under review and evaluation	Anticipated June 2014	TBD	Applications under evaluation

ACTIVITY MANAGEMENT

Under Phase 2 of PEG the Program Manager will continue to be USAID's counterpart for the; will be accountable to the Contracting Officer's Representative (COR) for overall program performance and pace; and will work with the COR and Somali counterparts to develop program strategy and identify areas for engagement.

The Deputy Program Manager oversees the design and implementation of sub-activities and grants in the target communities. The Deputy is based in Mogadishu and is responsible for all program activities in South-Central Somalia being implemented by PEG's subcontractor SATG (the Somali Agricultural Technical Group). The Deputy Program Manager will also be responsible for preparing project reports and success stories, supported by a home office Technical Advisor.

In Phase II, PEG will use its Hargeisa-based grants and procurement and finance staff to support program activities in both the Hargeisa and the Mogadishu project offices. These program staff are fully trained on USAID regulations and DAI procedures, which has allowed for a rapid start to activities in South-Central Somalia.

Under the leadership of the new interim Program Manager, an internal Project Implementation Monitoring (PIM) system has been developed that all staff use for weekly and monthly planning and reporting.

A. PARTNERSHIP FUND GRANTS ACTIVITY

Background

Prior to the fall of the Siad Barre's regime in Somalia, all banks were state owned. Therefore, when Somaliland declared independence from Somalia in 1991, the government did not prioritize the establishment of the commercial banking sector or the required regulatory environment to develop financial services. At this time, Somaliland still remains one of the few places in the world with no established commercial banking sector, and access to capital continues to be a major constraint to private sector development. The few large businesses generally have access to formal or informal foreign investor shareholder agreements – mostly from large Middle Eastern investors -- while informal micro-enterprises often rely on savings groups and small-scale buyer-supplier credit models. By contrast, small and medium enterprises (SMEs) face limited options to acquire larger amounts of capital (e.g. \$10,000 - \$200,000) they need to expand local industries, purchase machinery and generate employment.

To address this need, during Phase I of the program, PEG launched Somaliland's first ever business plan competition, the Partnership Fund. Launched in January 2012, Round I of the Fund aimed to generate more productive employment in Somaliland. The Fund is an innovative business matching grants program that co-funds Somali businesses to forge partnerships and share risk in new private sector ventures.

Partnership Fund Round 2

For the second phase of the PEG program, a second round of the Partnership Fund will be implemented. The overall activity objective remains the same as Round I: *To co-invest in Somali businesses through a grant mechanism to support innovative approaches to strengthen the Somali private sector and generate employment, while ensuring shared risk by encouraging a cost-share with award recipients.* The major differences between Round I and Round 2 are that:

- The Fund will only be open to private businesses (e.g. companies, joint ventures and partnerships, sole proprietorships, etc.) and commercially-oriented cooperatives and associations in productive sectors (e.g. agriculture cooperatives, fishing associations, etc.). Local NGOs are not allowed to apply.
- Applicants in Round 2 must engaged in business activities from productive sectors of the economy only (e.g. activities that strengthen value chains, such as crop agriculture and agro-processing, livestock, dairy, poultry, energy, fisheries, gums and resins, beekeeping). Therefore, services and retail sectors such as support to hotels, gas stations, electronics stores, restaurants, etc. will not be considered.
- The cost-share structure has changed for small grants. Applicants requesting grants between \$30,000 and \$50,000 must shows a minimum of a 50% cost-share, compared to the 25% cost-share for small grants under Round I.
- Maximum requests for large grants have increased from \$100,000 to \$250,000.

Criteria For Evaluating Full Proposal (100 Points):

- **Economic growth and development impact:**
 - What are the expected impacts on -

- Local employment and opportunities to improve employee skills;
 - Income, wealth creation and increased local production
 - Impact on women in business and youth employment
 - Increased markets access for local suppliers and increased local consumption
- **Technical experience and technical feasibility:** Does the applicant demonstrate an understanding of the subsector and/or proposed venture (including required capital and equipment, industry best practices, innovativeness, etc.)?
 - **Financial viability and cost effectiveness:** Does the applicant have a realistic business plan and clearly demonstrate that the funds requested cannot be obtained from other sources?
 - **Analysis of market supply and demand:** Does the applicant demonstrate an understanding of the demand (customers, prices, etc.); supply (accessing local and imported materials, etc.); and competition in the market?
 - **Business management experience:** Does the applicant(s) demonstrate strong experience as a business manager investing in Somaliland?
 - **Amount of cost-share contribution:** For the *Small Grants*, the cost-share minimum expected of the grantee is 50% of the Partnership program's contribution. For the *Large Grants*, grantees are expected to contribute an amount equal to the contribution of the Partnership program (i.e. a 1:1 cost share). However, a higher cost share will give the grantee an added advantage.

Work Plan Implementation Timeline

The table below provides a timeline of key activities under the Partnership Fund Grants Activity from September 2013 to August 2014. Embedded within the table are key cross-cutting activities, which provide guidance of the key staff responsible for these activities including communication efforts (Success Stories, Media Events); procurement team (with support from the finance and contracts teams) for procurement of in-kind equipment; technical support to grantees managed by technical staff and management with support from the operations team (STTAs and workshops); and field visits led by the M&E team.

Partnership Fund Grants Activity - Sept 2013-Aug 2014

Description	2013				2014							
	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug
PF Round 2 Planning, Launch, Review and Selection												
Round 1 PF APS reviewed and updated		→	→									
APS issued in local newspapers and websites			📄									
PF Round 2 Launch held in Hargeisa			📄									
Info Session in Borama, Burao, Las Anod and Erigavo			📄									
Questions from Applicants												
Responses to questions												
Deadline for Concept Papers Submission												
Notification of Short-Listed Applicants												
Short-listed Applicants Information Session						→						
Submission of Full Proposal												
Evaluation Committee review							→					
Evaluation Committee retreat							→					
Field visits and due diligence process							→	→				
Announcement of Final grantees								✍				
Contract negotiations; grant disbursements								\$	\$	\$	\$	\$
BOCAT and Business Capacity Training												
Review by consulting team												
Field team review of consulting team recommendations								→	→			
Redesign of BOCAT and Business Capacity Training									→			
Business capacity training RFP released									\$			
First BOCAT conducted with PF Round 2 finalists									☑	☑		
Business training proposals reviewed										\$→☑		
BOCAT results reviewed by team and local training firm										\$→☑		
Business training and consulting conducted											📅	📅

📅	Ongoing Activity
✍	Success Story
📅	Workshop/training
\$	RfQ / Procurement

📄	Media event / launch
→	STTA / Consultant
☑	Site visit (M&E)

B. SOMALILAND AGRICULTURE ACTIVITY

Background

In Somaliland, agriculture is also an important economic activity, particularly fruit and vegetable crops that are mostly grown for commercial purposes. Presently large volumes of fruits and vegetables are being imported from Ethiopia and South Central Somalia. It is estimated that the annual local demand is 100,000 tons of fruits and vegetables, with up to 65% imported; this costs \$50 to \$75 million in foreign currency. Therefore, improvements in areas such as seed certification, proper nursery establishment, good agriculture practices, extension services, and capacity for sound pest and disease control programs offer major opportunities for increases in yields and incomes for Somaliland farmers and a much improved competitive position for traders and vendors to compete with imports to grow local markets.

The purpose of the Agriculture Sub-Activity is to increase vegetable productivity and production volumes to replace imports and increase domestic incomes and employment. During Phase I of PEG, activity implementation partners included Amoud University in Borama and the Somali Agriculture Technology Group (SATG), with offices in Somalia and Nairobi. The following were the key initial implementation activities:

- Establishment of 3 irrigated demonstration plots to test 3-5 varieties of 6 popular vegetable and short season fruit crops – tomato, onion, cabbage, hot pepper, lettuce, and watermelon - while demonstrating best production practices provided by agriculture extension advisors. The demo plots tested varieties during the spring and summer 2012 crop seasons. One plot each are located in Baki and Ruqi, on land owned by two farmers who have been nominated by community stakeholders to be demo sites. The third plot is located on Amoud University land which now houses a small greenhouse and is powered by a windmill to pump water from a dedicated borehole.
- Establishment of an agriculture extension staff which trained to provide proper agronomic and other production related advice to farmers, and a business advisory staff to offer basic business skills transfer. Amoud University agriculture and business faculty staff were selected for these positions. Agriculture extension staff led 4 demo field days during each crop season in which farmers in the areas surrounding and nearby each demo plot will be invited to observe and discuss relevant crop production topics.

The premise of the activity is that farmers adopt new practices if they observe that the benefits outweigh the costs and believe they can implement and continue the new practices. The 3 demo plots over 2 crop seasons reached between 75 and 120 farmers during the demo field days (25 to 40 attending each of 4 field days at 3 demo sites) plus 200 to 250 other farmers during the crop season (10 agriculture extension staff reaching 20 to 25 other farmers that do not attend the demo field days).

PEG Phase II Activities

Following on the successful completion of the Somaliland Agricultural subactivity. We have designed a second phase with an eye toward establishing sustainable mechanisms to strengthen specific agricultural value chains in Somaliland. These include: improved seedling production, alternative energy sources for irrigation, continued extension services and continued farmer outreach activities.

Pilot seedling production at three plots at Amoud, Baki and Ruqi using germination trays. To avoid water logging and improve the generally poor quality of seedlings produced by local farmers, a seedling demonstration activity will be established at the Amoud, Baki and Ruqi demonstration plots. Extension agents will demonstrate and train the farmers in improved methods

of seedling production. We will support the development of a seedling production center at Amoud University. The objectives of the Center are to create a source of high quality seedlings for farmers and to charge reasonable fees that will enable the Center to continue functioning into the future.

Continue to Support Ministry of Agriculture extension staff. Agricultural extension officers have been selected as some of the best students from the Amoud university agriculture faculty to provide proper agronomic and other production related advice to farmers. Agriculture extension staff will continue to lead demo field days during each crop season in which farmers in the area are invited to observe and discuss relevant crop production topics. Extension staff will continue to commit a portion of their time to provide extension services, and so will be available to provide on-farm advice to area farmers throughout the crop season.

Introduce an alternative source of power for irrigation farming: More than 90% of the crop production in the Adwal region depends on irrigation which contributes to approximately 60% of the farmers input costs. Two new irrigation windmills will be installed on existing shallow wells in the Ruqi and Baki areas to lower the costs of irrigation for 2-3 farmers at each location.

Work Plan Implementation Timeline

The table below provides a general timeline for major activities for the Somaliland Agriculture Sub-Activity implemented by Amoud University's Faculty of Agriculture. During PEG Phase II, the program will support Amoud for two growing seasons - the Deyr season (October to December 2014) and the Gu (March – July 2015). As a result, since this Work Plan is focused on PEG activities through August 2014, most of Amoud's activities will be implemented in next year's Work Plan.

Somaliland Agriculture Activity - Sept 2013-Aug 2014

Description	2013				2014							
	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug
Amoud University implementation activities through August 2014												
Work plan for Activities, preparation and sub-mission of final work-plan completed												
Preparations for Community stakeholder meetings: Develop meeting agenda, mobilize local community in the target area												
Community stakeholder meetings completed												
Extension Worker Training Sessions Begin												
Amoud Seedling production facility finalized for the 1st season.												
Windmill sites identified												
Seedling Distribution to Farmers completed.												
Seedling production for 2nd season completed for Baki and Ruqi.												

	Ongoing Activity
	Success Story
	Workshop/training
\$	RfQ / Procurement

	Media event / launch
	STTA / Consultant
	Site visit (M&E)

C. South Central Somalia Agriculture Activity

Background

In South-Central Somalia, crop farming is an important economic activity providing employment and a food source to millions of people, particularly in the Shabelle and Juba Valleys as well as the inter-riverine regions of Bay and Bakool. Historically, food production and processing, especially around the Shabelle Valley and Banadir Region, have been important industries. Major products include bananas, sugar, tomato, and rice production and processing. Maize is the main crop in the Shabelle Valley, while sorghum is a major crop in the inter-riverine agro-pastoral areas of Bay and Bakool. Twenty-three years of civil unrest has led to the destruction of agriculture infrastructure, markets, agriculture institutions, and human capacity. Therefore, working to improve crop production is an important initial undertaking, which promises to improve incomes for crop value chain actors, while creating jobs and providing additional food availability.

The objective of the PEG Phase II South-Central Somalia Agriculture Sub-Activity is to increase stability through inclusive economic growth through the increase in food availability and farmer incomes and create employment in the agriculture value chains in South Central Somalia through increased crop productivity resulting from targeted grants and technical support to riverine farmers in the Lower and Middle Shabelle Regions.

Activity Vision and Targets:

Over three growing seasons, the Partnership team will work directly with a total of about 2000 farm families and indirectly with another 2000. With an estimated 6 members per household, this means that about 24,000 people in the Lower and Middle Shabelle Valley will benefit from this activity of the Partnership program, and will be practicing improved agricultural production practices. Ultimately, it is expected that more farmers beyond those targeted by the program are expected to benefit from the demonstration exercises and extension support and adopt the improved practices. This multiplier effect will mean that incomes and food availability will increase and livelihoods will improve for thousands of Somalia families beyond the direct partners of the project.

In order to reach this number of farmers, the Partnership will identify and directly work with 200 lead farmers in the first season – roughly 67 at each of three demonstration and training sites along the Shabelle River. With the help of the extension agents to be engaged through the project, each lead farmer's plot will act as a demonstration field for another 20 contact farmers during this first season, thereby reaching up to 4000 farm households (3 sites x 67 lead farmers x 20 contact farmers = 4000). Including the 200 lead farmers, some 4000 farmers will be reached through technical support. About 50% of these farmers who show consistent interest to adopt the improved practices will be provided with in-kind supported directly, during the second season, in order to improve their productivity.

To assist both lead and contact farmers as well as build more general agricultural capacity, 50 community-based extension workers will be engaged and trained by the Partnership Agricultural Team; 20 of these will be engaged during season one and the remaining 30 will be brought on board at the start of Season 2. Each extension worker will mentor 40-80 contact farmers, working alongside 2 lead farmers each who are supporting contact farmers in their respective communities.

Based on PEG's experience using a similar approach over the past two years in Somaliland, these extensionists will continue their work after the Partnership ends, supported by contact farmers, agro-input dealers, the Government of Somalia (GOS) or a combination of those three sources.

Involvement of Women and Youth

The Partnership Program will work to identify local NGOs, CBOs, and farmer associations that are women-led in order to involve women in business in the implementation program. Currently, an Afgoi-based local NGO called WAANO, which works mainly with women and youth in the Lower Shabelle, has been identified as a potential partner. They will assist in mobilizing youth and women farmers and agribusiness actors in the Lower Shabelle Region. Similar efforts will be made in Middle Shabelle and Mogadishu. An effort will be made to engage women farmers and extension works so that they can comprise at least 15% of the beneficiaries. The objective is to attract the youth to join productive farming activities and agribusinesses by prioritizing enterprising and active individual youth or youth groups.

Involving Academic/Research Institutions:

As much as possible, in order to contribute to sustainability, educational institutions will be involved in the running and supervision of demonstration fields – both in Afgoi and Bal'ad/Jowhar areas. So far, an Agriculture high school/college in Daru-salaam area (near Aw-dhegle) and Banadir University are being considered. The project will also approach Banadir University's Agriculture Faculty to explore their potential involvement in this project. Unfortunately Banadir University is located in Mogadishu and it will be logistically difficult to have them manage a demonstration field or run the training or extension program, as they have no infrastructure or facilities in the Shabelle Regions. Nevertheless, efforts will be made to engage the students and faculty members of Banadir University so that they can benefit from the agricultural technology testing and transfer aspects of the program. This will be achieved through organizing routine periodic trips for a selected group of agriculture students and their faculty to participate in field days and other technology testing and extension activities taking place in and around the main technology and business incubation (TBIC) center in Afgoi. A small budget will be allocated to enable their travel to the site to during these visits.

Sustaining Project Services after initial work with SATG

Some of the major outcomes (e.g. products, services and improved technologies), of the Agriculture Sub-activity include:

- Increased local capacity of at least 50 local personnel, including government extension staff, to provide technical support to farmers. It is from this group that the extension team will be formed.
- Increased knowledge and practice by about 4000 crop farmers, who benefit from demonstration and technical support. The technical support and improved practices include: land preparation; improved/certified seeds; improved nursery management for fruits and vegetables; improved spacing and planting techniques;
- Increased knowledge about agricultural inputs and stronger linkages between Agribusinesses and farmers;
- Improved capacity to perform local soil testing and analysis in Somalia (Afgoi);

- Improved manure composting techniques, and improved application of recommended fertilizer and pesticides;
- Improved irrigation techniques;
- Improved harvesting and storage techniques;
- Improved capacity to identify plant diseases;
- A multiplier effect resulting from neighbor farmers learning from participating farmers;
- Development and dissemination of communication and community outreach materials, including manuals, posters, and other messages carried in media outlets.

Approach:

The Partnership's Agriculture Sub-Activity in South Central Somalia will build upon the model and lessons learned from the activity with Amoud University in Somaliland. Using a classic "show and tell" model, activities consist of technology testing, demonstration and transfer for cereals, vegetables, oil crops and fodder crops in parts of the Middle and Lower Shabelle Regions of Somalia. This will be achieved by setting up two tiers of demonstration plots – three dedicated testing and training sites plus each lead farmer establishing demonstration plots on their respective farms. The Agriculture Sub-Activity will provide technical assistance and risk capital support to farmers and other stakeholders as well as support to develop relevant legal and regulatory frameworks.

The learning from this pilot Somaliland activity has helped to inform the design of the pilot project in South Central Somalia, detailed below, which broadly consists of:

- The development of three demonstration sites in Lower and Middle Shabelle, including one central site for which SATG will be supported to eventually turn into a Research Center (to be referred to the agricultural Research and Agribusiness Incubation Center - RAIC). This Center will be engaged in testing and demonstrating improved crop production practices of selected cereals, legumes, vegetables, oil and fodder crops. In the first season three Demo Fields will be established, one each in Afgoi (the Demo Field/Research Center), Bal'ad and Aw-dhegle.
- The activity will build upon the existing learning at the SATG-CIMMYT demo sites and seed trials around Afgoi.

The training of 50 extension workers; each will support 4 lead farmers and 40-80 contact farmers. The number of farmers per extension worker will be less in the first season.

- The targeted distribution of risk capital to lead and contact farmers (sequenced over three growing seasons) to ensure a rapid uptake of improved seed varieties, and new agronomic practices.
- The buy-in and support from farm input centers / agro-dealers and seed suppliers/growers to ensure crucial value chain linkages are built with contact farmers by project end.
- Engagement of traders and vendors to establish and build market linkages.

Work Plan Implementation Timeline

The table below provides a general timeline for major activities for the South-Central Somalia Agriculture Activity implemented by SATG. This activity's ambitious scope of work and targets will require full scale technical implementation during three full growing seasons before the project end date in August 2015. The first of these growing seasons runs from April through June.

South-Central Somalia Agriculture Activity - Sept 2013-Aug 2014

Description	2013				###							
	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug
Preparation for Season 1 (February 2014– March 2014)												
Conduct wide community-level consultations; identify agricultural villages and lead farmers						📅						
Environmental review and procurement of agricultural inputs and supplies						→						
Identify seed materials of various crop species to be conducted in the demonstration plots												
Set up the lab for soil testing, tissues culture, germination test and diseased identification						\$	\$					
Refine the kind of crops types and varieties to be tested / demonstrated – including cereals, legumes, vegetables, and fodder, and explore possibilities for trying out oil crops as well.												
Establish research center – Afgoi; and other demo centers in Aw-dhegle and Bal'ad							☑					
Identify 20 lead farmers for each of the sites												
Identify Demo field supervisor and extension workers												
Identify 4 villages for each Demo field, from which to identify contact farmers												
Identify other partners to collaborate with in the districts of operation												
Identify agricultural input suppliers and seed growers that may have potential for expansion							☑					
Training during farmer field days for the 200 lead farmers							📅	📅				
Season One (March to August 2014)												
Conduct trials on new improved varieties and best production practices												
Field days for the stakeholders in Afgoi, Aw-dhegle and Bal'ad								☑	☑	☑	☑	☑
Develop training materials for the crops of interest and use use of chemicals												
Train the agro-dealers on safe use of chemicals-at least 10 agro-dealers in the three sites												
Identify and train the 200 lead farmers								\$	\$			
Identify and train 30 extension workers on crop production practices								📅	📅			
Data collection and analysis and preparation of seasonal reports								☑	☑	☑	☑	☑
Continue the establishment of the main center (e.g. establishment of lab facilities)								\$	\$	\$	\$	\$

📅	Ongoing Activity
→	Success Story
📅	Workshop/training
\$	RfQ / Procurement

📅	Media event / launch
→	STTA / Consultant
☑	Site visit (M&E)

D. SOUTH CENTRAL SOMALIA LIVESTOCK ACTIVITY

Background

Livestock is the largest economic sector in Somalia, accounting for over 40% of the GDP. Within that sector, the raw milk trade that was well established several decades ago has eroded and is currently facing severe disruptions due to insecurity, roadblocks, spoilage and poor handling/hygiene. The Somalia South Central Livestock sub activity will work with and support the cow and camel milk value chains in the Shabelle region and in Mogadishu. The activity will work with all four of the major players in the dairy value chain, including: milk producers/sellers, milk collectors/traders, dairy farms and milk processors, and dairy input suppliers.

Description of Activities

The main constraints faced by the primary actors in the milk value chains will be addressed on different levels through the following activities:

Improve livestock/dairy production by increasing feed and fodder availability by introducing and demonstrating improved fodder production technologies. The project will support improved fodder production technology in the three primary project demonstration plots that will be established in association with the South-Central Agriculture subactivity. The project will work with fodder producers, feed processors and livestock producers to demonstrate fodder seed testing and disseminate best husbandry practices.

Technical and in-kind support to farmers to improve animal health by addressing endemic endo- and ecto-parasites. Both technical and in-kind support will be provided to contract livestock farmers to address the problems of ecto and endo parasites which account for a nearly 50% reduction in milk yields. In-kind micro-grants will be provided and the project will additionally engage an agro-vet business for sustainability.

Improve milk handling, hygiene, marketing (and processing as appropriate), through a variety of measures targeted at producers, collectors, processors and distributors. In order to increase the amount of milk that is marketed by milk producers and that eventually reaches the market, the program will provide technical advice, in-kind micro-grants and matching grants to improve milk handling and hygiene and to support milk cold chain systems. The grants will be used for cold chain technology such as hygienic and suitable milk containers, milk testing equipment, and solar powered milk cooling systems. No charcoal cooling systems will be used or supported. In support of the micro grants and matching grants to milk producers and sellers (up to 300), milk collectors/traders (up to 6), milk traders/distributors (up to 2) and agro-dealers, the project will provide technical advice and training through the provision of dairy extension services.

Improve the legal and regulatory environment and support to organizational/institutional capacity of the government and private sector. Support and policy development assistance will be provided to the Somalia Ministry of Livestock for regulatory, policy and institutional capacity building. Local consultants will be engaged to work the Ministry and other stakeholders to draft or improve the legal and regulatory frameworks. Additionally capacity strengthening training and skills transfers will be conducted for dairy value chain actors.

Work Plan Implementation Timeline

At this time, the timeline for Livestock Activities is still being developed and will mostly be implemented during the next year.

South-Central Somalia Livestock Activity - Sept 2013-Aug 2014

Description	2013				2014							
	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug
Activity 1: Improving milk production												
a) Improving livestock nutrition and health for improved milk production												
Conduct wide community-level consultation to (i) introduce the activity, (ii) to identify or get community contribution to identify agricultural villages and lead farmers						📅						
Identify fodder seed materials of various crop species for demonstration plots												
Establish main demonstration/research center – Afgoi							☑					
Establish one secondary demo center in Aw-dhegle and another in Bal'ad							☑					
Conduct trials/demonstration plots on new improved fodder varieties and best production practices - inputs, husbandry practices, harvesting and storage technologies								📅	📅	📅	📅	📅
b) Milk handling and transportation support												
Technical advice and trainings through the provision of dairy extension services support to milk producers in the catchment areas of Jazeera, Isaley and Afgoi.												
In-kind provision of risk capital to 300 milk producers and sellers to be selected from the areas surrounding Jazeera, Isaley and Afgoi target areas.												\$
Support to agro-dealers to stock and supply milk collection, testing, storage, cooling and transportation and distribution, as well as milk testing equipment.												
Activity 2: Regulatory, Policy and Institutional Capacity Building												
Institutional capacity strengthening for the Ministry of Livestock to better support and regulate the dairy sector and its ancillary services to ensure quality control											→	→
Support the development of key regulatory frameworks to promote the dairy sector											→	→
Capacity strengthening training conducted for dairy value chain actors.											📅	📅
Activity 3: Grants Support for Dairy Livestock Production												
Matching grants for Six milk traders/collectors who supply Mogadishu											\$	\$
Matching grants for 1-2 Agro-vets / Agro-vet input suppliers											\$	\$
Matching grants for one dairy processor											\$	\$
Matching grants for one commercial feed producer/processor											\$	\$
Matching grants for Commercial fodder producer											\$	\$

📅	Ongoing Activity	📅	Media event / launch
📄	Success Story	→	STTA / Consultant
📅	Workshop/training	☑	Site visit (M&E)
\$	RfQ / Procurement		

E. PILOT WIND ENERGY PROGRAM

Background

Somaliland power producers presently use imported expensive diesel fuel as the only source of energy to generate electricity. Electricity tariff rate in Somaliland is probably the highest in Africa at approximately \$1.00-1.40 /kWh. As global consumption, fuel costs and unstable imported fuel supply problems continue to rise, electricity costs will also rise. This level of cost is already restricting business development in Somaliland, and as it increases, at a certain point it will be too expensive for the majority of business and ordinary consumers in Somaliland. For power producers, it is becoming difficult to stay profit and be sustainable.

On the basis of the extensive field assessment and discussions with the energy stakeholders in Somaliland as well as the government authorities in Somaliland, a number of challenges and constraints in the energy value chain were identified. These include:

- The lack of an energy legal and regulatory framework results in major hindrances to promote investment in the sector and increase the energy sector's efficiency, as well as support basic standards and safety.
- The difficult challenge of dependence on imported fuel for power generation and the consequence of high electricity costs in Somaliland.
- The lack of the necessary skills and technical resources to utilize alternative energy sources for power production.

Considering these major constraints, the PEG's Phase I Energy value chain included:

- Support to the Somaliland Ministry of Energy to establish the energy laws and regulations through a year-long public-private dialogue (PPD) process;
- Building the basic capacity for the Ministry of Energy's Electricity / Energy Inspectorate Unit;
- Launching a wind energy investment workshop to gauge interest by investors of wind power;
- Design of renewable energy resource materials;
- Installation of a medium-scale 5-turbine 100kW wind farm at the Egal International Airport in Hargeisa to be managed as a public private partnership (PPP) with the Ministry of Aviation, Ministry of Energy and a local independent power provider (IPP).
- Installation of four wind data monitoring stations to track wind speed and temperature at 25m and 36m heights, in real time, as a tool to develop Somaliland's first wind map and generate data to support investment decisions by potential wind-energy investors

Completion of Energy Sub-Activity Tasks under PEG Phase II

Although the majority of tasks under this activity had been by the end of PEG Phase I, several critical pending issues had delayed and will be completed in PEG Phase II, including:





- Delivery of a generator for one malfunctioning wind turbine
- Verification site visit by the manufacturer of the wind turbines as part of the warranty process;
- Installation of the 20kw generator
- Replacement of defective power supply units for three wind turbines in Berbera and verification of two power supply units already replaced and fitted at the Hargeisa wind farm site
- Development of technical training and operations manuals for wind turbine and wind data monitoring operations
- Completion of PPP document between Ministry of Aviation, Ministry of Energy and PEG




- Advertisement, review and contract agreements under the PPP solicitation for a private operator to manage the airport wind farm
- Training of the PPP winning private operator and technical staff of the Somaliland Electricity Inspectorate
- Procurement handover of all equipment and warranties based on USAID rules and regulations
- Press release and official high-level wind farm launch event with senior Somaliland political officials, USAID officials, PEG and the media.

Work Plan Implementation Timeline

Somaliland Pilot Wind Energy Program - Sept 2013-Aug 2014

Description	2013				2014							
	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug
Delivery of a generator for one malfunctioning wind turbine							\$	\$				
Installation of the 20kw generator							→	→				
Replacement of defective power supply units for three wind turbines in Berbera and verification of two power supply units already replaced and fitted at the Hargeisa wind farm site							→	→				
Development of technical training and operations manuals for wind turbine and wind data monitoring operations							→	→				
Completion of PPP document between Ministry of Aviation, Ministry of Energy and PEG												
Advertisement, review and contract agreements under the PPP solicitation for a private operator to manage the airport wind farm												
Training of the PPP winning private operator and technical staff of the Somaliland Electricity Inspectorate,								⌘				
Procurement handover of all equipment and warranties based on USAID rules and regulations								\$	\$			
Press release and official high-level wind farm launch event with senior Somaliland political officials, USAID officials, PEG and the media.									📄	📄		

	Ongoing Activity
	Success Story
	Workshop/training
	RfQ / Procurement

	Media event / launch
	STTA / Consultant
	Site visit (M&E)

F. INVESTMENT PROMOTION PROGRAM

Background

With the stated program objective to help local authorities and private sector groups improve the enabling environment for investment, the PEG Phase I Business Environment Sub-Activity engaged in a variety of policy development, investment promotion, business research and capacity building efforts with the Somaliland Ministry of Commerce – the key Ministry mandated to promote investment and trade. The major culminating project from these activities was the development of Somaliland's first Investment Guide. The Guide outlines the process of investing in Somaliland and reviews business failures and successes in order to address perceived threats (e.g. security, underdeveloped regulatory framework); and highlight hidden opportunities (ease of starting business, opportunities for growth, etc.). The Investment Guide provides an important clearinghouse of economic, legal, regulatory and investment profiling information for local/Diaspora/foreign investors. PEG worked directly with the Ministry of Commerce, and eight other key institutions (Ministries of Fisheries, Agriculture, Livestock, Planning, Foreign Affairs and Energy; along with the Diaspora Agency and the Chamber of Commerce) to develop both an English and Somali hard-copy and web-based investment guide, which can be found online at www.SomalilandInvest.net.

Completion of Investment Promotion Program under PEG Phase II





As with the Pilot Wind Energy Program, the Investment Promotion Program represents unfinished business from Phase I of PEG. The remaining activities which will be completed under PEG II for this activity, include:




- Printing, shipping and delivering to the Ministry nearly 1000 copies of the English version of the Somaliland Investment Guide.
- Finalizing the Somali language translation of the Guide.
- Review and final editing of the document by the new Director General (DG) of the Ministry of Commerce and his team to ensure maximum Ministry ownership
- Having the graphic designer finalize the Somali version; send to the printer in Nairobi; and print and deliver the Somali hard-copy version to the Ministry.
- Three half-day web training sessions by PEG's international and local web designers for the DG and the Department of Investment to gain full understanding and ownership of the website to ensure full use and dissemination of the information.
- Full handover of the website ownership to the Ministry.
- Press release and related media events around investment promotion to support a wider awareness about the Guide to local, diaspora and foreign investors.

Work Plan Implementation Timeline

Somaliland Investment Promotion Program - Sept 2013-Aug 2014

	2013				2014							
Description	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug
Printing, shipping and delivering to the Ministry nearly 1000 copies of the English version of the Somaliland Investment Guide.			\$	\$	\$							
Finalizing the Somali language translation of the Guide.					→	→	→	→				
Review and final editing of the document by the new Director General (DG) of the Ministry of Commerce and his team to ensure maximum Ministry ownership												
Having the graphic designer finalize the Somali version; send to the printer in Nairobi; and print and deliver the Somali hard-copy version to the Ministry.								→				
Three half-day web training sessions by PEG's international and local web designers for the DG and the Department of Investment to gain full understanding and ownership of the website to ensure full use and dissemination of the information.								⌘				
Full handover of the website ownership to the Ministry.									\$			
Support Ministry Investment Promotion Mission									\$	\$	\$	
Press release and related media events around investment promotion to support a wider awareness about the Guide to local, diaspora and foreign investors.										📄	📄	📄

	Ongoing Activity
	Success Story
	Workshop/training
	RfQ / Procurement

	Media event / launch
	STTA / Consultant
	Site visit (M&E)